

§ 29.9403

provide the best and most equitable service to all growers.

§ 29.9403 Flue-Cured Tobacco Advisory Committee.

To assist the Secretary in making the apportionment and assignment of inspectors, a Flue-Cured Tobacco Advisory Committee, appointed in accordance with the Federal Advisory Committee Act (5 U.S.C. Appendix I), shall advise and recommend to the Secretary marketing area opening dates and selling schedules for both designated and undesignated flue-cured tobacco to be sold in each marketing area and in each warehouse within each marketing area.

[39 FR 30475, Aug. 23, 1974, as amended at 49 FR 4067, Feb. 2, 1984; 50 FR 45806, Nov. 4, 1985; 51 FR 5987, Feb. 19, 1986; 67 FR 61468, Oct. 1, 2002]

§ 29.9404 Marketing area opening dates and marketing schedules.

(a) The Flue-Cured Tobacco Advisory Committee shall recommend, to the Secretary, marketing areas in the flue-cured tobacco production area and marketing area opening dates and selling schedules for both designated and undesignated tobacco for each marketing area and for the individual warehouses in each marketing area, which specify the length of time inspectors will be available to inspect designated tobacco and undesignated tobacco and/or the quantity of designated or undesignated tobacco to be marketed in each area and through each warehouse within such marketing area. In developing such opening date and selling schedules, the Committee shall take into account the following:

(1) When a sufficient volume of tobacco produced within a specific area of the flue-cured tobacco production area will be ready for marketing;

(2) The volume of tobacco ready for marketing which the producers have designated under § 1464.2(e) of this title to be sold at specific warehouses and also the volume of tobacco ready for marketing which has not been so designated by the producer;

(3) With regard to undesignated tobacco, the Committee shall first determine, on the basis of all information available to it, the volume of undesignated

7 CFR Ch. I (1-1-04 Edition)

tobacco in a geographical area, and then shall provide sales opportunity for each warehouse to sell an amount of the undesignated tobacco available for sale from that geographical area in proportion to the amount of tobacco designated to the warehouse in comparison to the total amount of tobacco designated in the marketing area in which the warehouse is located. Provided, however, that the Secretary may authorize additional undesignated sales opportunity if the warehouse provided proper proof that it does, in fact, have available for sale a volume of tobacco which has not previously been designated and which was eligible for designation to that warehouse had the producer chosen to designate and that such additional volume of tobacco warrants more sales opportunity than allowed by the schedule;

(4) The processing or redrying capacity of the industry and the number of inspectors available to provide inspection service during the specific period involved;

(5) Such other factors or information as may be necessary to develop an effective and equitable opening date and selling schedule.

(b) The Flue-Cured Tobacco Advisory Committee shall thereupon submit its recommended opening date and selling schedules for designated and undesignated tobacco and the geographic areas to be included in specific marketing areas to the Secretary together with a basis supporting its recommendations.

[39 FR 17754, May 20, 1974, as amended at 39 FR 30476, Aug. 23, 1974; 40 FR 24174, June 5, 1975; 40 FR 30917, July 24, 1975]

§ 29.9405 Issuance of marketing area opening date and selling schedules by the Secretary.

(a) The Secretary shall review the recommendations of the Flue-Cured Tobacco Advisory Committee and based upon such recommendations and the basis therefor and such other information as may be available to him, shall specify the geographic areas to be encompassed by specific marketing areas, set the opening dates for sale within the marketing areas and issue the selling schedules for designated and undesignated tobacco. The inspection

of flue-cured tobacco shall be in accordance with said schedules.

(b) The Flue-Cured Tobacco Advisory Committee shall recommend modifications in the opening date and marketing schedule during the flue-cured tobacco marketing season as may be warranted by changes in marketing conditions and the Secretary shall act thereon in the same manner as approving the initial opening date and marketing schedules.

[39 FR 17754, May 20, 1974, as amended at 39 FR 30476, Aug. 23, 1974]

§ 29.9406 Failure of warehouse to comply with opening and selling schedule.

(a) Each warehouse shall comply with opening and selling schedules issued by the Secretary for designated and undesignated flue-cured tobacco.

(b) For each of any two consecutive sales days during the marketing season a warehouse may exceed its scheduled sales opportunity for designated or undesignated tobacco, but the pounds sold during the second or third sales day must be adjusted so the warehouse will be back in compliance at the end of the third sales day or no tobacco inspection or price support services will be made available on the next succeeding sales day. Any such adjustment which is within 100 pounds of the required reduction shall be considered as in compliance with this section. During the closeout period, if a warehouse sells tobacco in excess of that allowed by the sales schedule on either of the last two sales days of the marketing season, then such excess sales shall be deducted from its scheduled sales opportunity on the first, or more, sales days of the next marketing season.

(c) The amount of the poundage adjustment specified in paragraph (b) of this section for a warehouse selling in excess of the sales schedule shall be as follows:

(1) If the excess is 5,000 pounds or less of designated producer tobacco, the adjustment in producer sales opportunity shall be one pound for each pound of excess; sales in excess of 5,000 pounds shall be a violation of the sales schedule and the adjustment for the first violation shall be 5,000 pounds plus the

larger of 3 pounds for each pound in excess of 5,000 pounds or 5,000 pounds; for the second violation, the adjustment shall be 5,000 pounds plus the larger of 5 pounds for each pound in excess of 5,000 or 15,000 pounds; and for the third and subsequent violations, the adjustment shall be 5,000 pounds plus the larger of 5 pounds for each pound in excess of 5,000 pounds or 50 percent of a scheduled day's sales opportunity.

(2) If the excess is 1,000 pounds or less of undesignated producer tobacco, the adjustment in producers sales opportunity is one pound for each pound of excess; if the excess is larger than 1,000 pounds, the adjustment is 1,000 pounds plus the larger of 3 pounds for each pound in excess of 1,000 or 2,000 pounds.

(3) If the excess is designated producer tobacco that is not eligible for sale at the warehouse on the day of the sale, the adjustment in producers sales opportunity for the first violation is the larger of 3 pounds for each pound in excess or 5,000 pounds, and for the second and succeeding violations, the larger of 5 pounds for each pound in excess or 10,000 pounds.

(d) If, on any sales day, a warehouse does not sell the full quantity of designated or undesignated tobacco authorized to be sold at such warehouse, the designated or undesignated sales opportunity at such warehouse on the next immediate sales day shall automatically be increased by the unsold quantity except that no such increase in sales opportunity shall exceed 5,000 pounds for designated tobacco or 500 pounds for undesignated tobacco.

[46 FR 56156, Nov. 16, 1981, as amended at 65 FR 46087, July 27, 2000]

§ 29.9407 Records and reports.

(a) Each warehouse, on a designated market, shall provide the Secretary with any information that is requested on forms provided said warehouse by the Secretary.

(b) Each warehouse shall keep records for a period of two years from the opening of the marketing season in which the tobacco is sold, and make available to the Secretary such records as are necessary for the Secretary to verify the information required by paragraph (a) of this section.